Canadian Vacation Travel Habits & the Impact of the Lower Canadian Dollar

Spring 2000

Market Research & Planning

Discover our true nature

Canadian Tourism Commission / Commission canadienne du tourisme

Canada

102-05084/

Canadian Vacation Travel Habits and The Impact of the Lower Canadian Dollar Spring 2000

Prepare by:

Roper Reports Canada

For:

The Canadian Tourism Commission

National Library of Canada cataloguing in publication data

Main entry under title :

Canadian vacation travel habits and the impact of the lower canadian dollar : spring 2000

Issued also in French under title : Les habitudes de voyage des Canadiens et l'incidence d'un dollar canadien plus faible.

ISBN 0-662-30545-0
Cat. No. C86-119/2001E

1. Tourism -- Canada -- Statistics.
2. Tourism -- Canada.
3. Travelers -- Canada.
I. Roper Reports Canada (Firm)
II. Canadian Tourism Commission.

G155.C3C33 2001 338.4'791710468 C2001-980177-7

Table of Contents

Background 1

Executive Summary 3

Vacation Travel Past 12 Months 3

Impact of Low Canadian Dollar 5

Vacation Travel Next 12 Months 5

Vacation Trips of 2 or More Nights Within Past 12 Months Within Canada 5

Vacation Trips of 2 or More Nights Within Past 12 Months to the USA 6

Impact of Lower Canadian Dollar on Out-of-Country Vacation Plans 6

Impact of Lower Canadian Dollar on Out-of-Country Vacation Plans 7

Likelihood of Vacationing Outside Canada as a Result of Lower Canadian Dollar 7

Likelihood of Vacationing Within Canada as a Result of Lower Canadian Dollar 8

Changes in Out-of-Canada Travel Habits as a Result of Lower Canadian Dollar 8

Vacation Travel Plans in Next 12 Months Within Canada 9

Vacation Travel Plans in Next 12 Months to the USA 10

Consumer Confidence 11

Survey Methodology 13

Stage I - Selection of Communities 13

Stage II - Selection of Primary Sampling Units 14

Stage III - Selection of Households Within An Ea 14

Stage IV - Selection of Individuals Within Households 14

Weighting and Sample Reliability 15

Background

The Tourism Commission of Canada commissioned Starch Research Services through its Roper Reports Canada service to track and monitor what impact, if any, a lower Canadian dollar has had on Canadian vacation travelers habits and preferences on an on-going basis.

In addition to monitoring the impact of a lower dollar on Canadians' vacation travel habits and plans, the commission is interested in monitoring Canadians' general vacation travel habits [1](defined as two or more nights) within Canada and the United States, both for the previous twelve months and the up-coming twelve months.

Roper Reports Canada is a bi-annual syndicated research service that provides marketing and trending intelligence to a broad range of public and private sector clients. The service consists of a Spring and Fall wave which is conducted in-home among a representative sample of 1,200 Canadian adults, 18 years and over.

The Spring 2000 survey was conducted nationally by means of personal in-home interviews among 1,208 Canadian adults. The fieldwork was conducted between June 19 and August 17, 2000.

[1] *From Spring '95 through Spring '98 "vacation" was defined as three or more days away. This was changed to two or more nights effective with the Fall '98 survey.*

Executive Summary

Results of the Spring 2000 Roper Canada Survey indicate modest increases in travel by Canadians over the past 12 months with possibilities for strong domestic travel growth in the coming year.

Vacation travel within Canada rose from 39 per cent in the Fall of 1999 to 43 per cent in the current survey period. Travel to the USA was up slightly from 15 per cent to 17 per cent during the same time frame.

The low value of the Canadian dollar to the US dollar continues to be a preoccupation for vacation planners. At the same time, work needs to be done to convince Canadians that a domestic vacation is more affordable than traveling out-of-country.

Consumer confidence is still shaky with only 26 per cent of Canadians believing that it is "a good time to buy".

Vacation Travel Past 12 Months

- The 43 per cent domestic vacation number is up 4 percentage points from the survey's all-time low recorded in the Fall of 1999.
- The 17 per cent USA vacation number is up 2 percentage points from the Fall of 1999 but well below 1998 and prior years.

Impact of Low Canadian Dollar

- 74 per cent of Canadians consider the value of the dollar to be a key factor in vacation planning.
- 55 per cent focus on this issue more than they did 2 years ago.
- Older Canadians (65+) seem to have developed some perspective on this issue and report lower levels of concern.

Vacation Travel Next 12 Months

- 51 per cent of Canadians are planning a domestic vacation, up 10 percentage points from the Fall of 1999.
- USA vacation travel by Canadians should continue to decline.
- Efforts by the tourism industry to promote Canadian travel are working with 46 per cent acknowledging their influence.

Vacation Trips of 2 or More Nights Within Past 12 Months Within Canada

Q. Have you taken a vacation trip of two or more nights in the past 12 months (within Canada)?

Figure 1

%	Spring '95	Fall '95	Spring '96	Fall '96	Spring '97	Fall '97	Spring '98	Fall '98	Fall '99	Spring 00
Yes	45	50	46	44	40	46	48	47	39	43
No	55	50	54	56	60	54	52	53	61	57

While only 43 per cent of Canadians surveyed took a domestic vacation of 2 or more nights within the past 12 months, this does represent a modest improvement over the record-low 39 per cent reported in the Fall of 1999.

Household income is clearly a key factor in vacation decisions: 69 per cent of those who earn in excess of $50,000 annually took vacations compared to 41 per cent of those under $30,000. Married people were also much more active vacationers at 62 per cent, versus 49 per cent of those who were single. Family considerations continue to be very important as 83 per cent of vacationing families with children under 18 years of age travelled within Canada.

From a regional perspective, Canadians in the Atlantic Provinces are the most active domestic vacationers at 94 per cent compared to only 71 per cent of vacationers from Ontario.

Vacation Trips of 2 or More Nights Within Past 12 Months to the USA

Q. *Have you taken a vacation trip of two or more nights in the past 12 months (to the United States)?*

Figure 2

%	Spring '95	Fall '95	Spring '96	Fall '96	Spring '97	Fall '97	Spring '98	Fall '98	Fall '99	Spring '00
Yes	20	23	23	22	22	24	27	17	15	17
No	80	77	77	78	78	76	73	83	85	83

The number of Canadians who chose to vacation in the USA in the past 12 months increased slightly since the Fall of 1999 survey from 15 per cent to 17 per cent. Nevertheless, this represents a sharp decrease from the survey high of 27 per cent in the Spring of 1998.

Older Canadians continue to comprise the most active of USA vacationers with 41 per cent of those in the 65+ age bracket, compared to only 18 per cent of those ages 25-34. While the split between married and single individuals is about even, only 26 per cent of USA vacationers had children under 18 years of age.

Canadians in Ontario and British Columbia continue to be the most active USA vacationers at 36 per cent and 32 per cent respectively, compared to only 17 per cent of Atlantic residents. Florida and New York remain the most popular destinations for Canadians.

Impact of Lower Canadian Dollar on Out-of-Country Vacation Plans

Q. *How important a factor is the value of the Canadian dollar to the U.S. dollar in determining how, when and where you might spend your next vacation of two or more nights?*

Very Important	52%
Somewhat Important	22
Not Very Important	9
Not At All Important	17
Not Stated	1

The value of the Canadian dollar to the US dollar continues to be a key driver in the determination of vacation plans by Canadians with 74 per cent acknowledging it as Very Important or Somewhat Important. This compares to 78 per cent in the Fall 1998 survey.

While Canadians tend to hold very similar views of this issue, those in the 65+ age bracket are not as concerned as others.

Impact of Lower Canadian Dollar on Out-of-Country Vacation Plans

(Compared to 2 Years Ago)

Q. *Compared to two years ago, is the value of the Canadian dollar to the U.S. dollar more a factor, less a factor or makes no difference, in determining how, when and where you might spend your next vacation of two or more nights?*

More a factor	55%
Less a factor	4
Makes no difference	40
Not stated	1

Canadians continue to focus on the value of their dollar with 55 per cent stating that it is more a factor in making out-of-country vacation plans than 2 years ago. Once again, elderly Canadians are less consumed by this issue with 54 per cent stating that it makes no difference to their plans.

Likelihood of Vacationing Outside Canada as a Result of Lower Canadian Dollar

Q. *Because of the lower Canadian dollar, are you more likely or less likely to take a vacation outside of Canada in the near future?*

Figure 3

%	Spring '95	Fall '95	Spring '96	Fall '96	Spring '97	Fall '97	Spring '98	Fall '98	Fall '99	Spring '00
More likely	6	8	8	9	7	6	7	6	6	9
Less likely	60	51	54	38	42	40	50	57	57	52
No difference	34	41	38	53	52	54	43	37	37	38

Canadians will continue to focus on the value of their dollar in making vacation decisions with 52 per cent less likely to take a vacation outside of Canada in the near future because of its low value.

While this issue is generally important within all demographic groups, married Canadians and those with children under the age of 18 are most concerned with it.

From a regional perspective, Ontario residents are least pre-occupied with the value of the Canadian dollar with 43 per cent stating that it makes no difference to their out-of-country vacation planning.

Likelihood of Vacationing Within Canada as a Result of Lower Canadian Dollar

Q. Are you therefore more likely or less likely to vacation within Canada as a result of the lower Canadian dollar? (Asked of those who said they are less likely to travel outside Canada because of the lower dollar).

Figure 4

%	Spring '95	Fall '95	Spring '96	Fall '96	Spring '97	Fall '97	Spring '98	Fall '98	Fall '99	Spring '00
More likely	71	72	71	70	77	64	70	79	80	84
Less likely	11	13	12	9	9	19	9	9	7	8
No difference	17	15	17	21	15	17	19	12	13	7

Canadians indicate very strongly that the low value of their dollar will make them more likely to vacation within Canada. The "more likely" response of 84 per cent is the highest in the history of this survey and 14 percentage points higher than 2 years ago.

While responses are very similar across all groups, Canadians in the $30,000 - $50,000 household income range are most emphatic with 90 per cent more likely to vacation domestically.

Once again, residents of Ontario are not quite as consumed by the value of the Canadian dollar as those in other regions with only 78 per cent "more likely" to vacation within Canada. By comparison, the Manitoba/Saskatchewan region offered a 95 per cent response in this category.

Changes in Out-of-Canada Travel Habits as a Result of Lower Canadian Dollar

Q. As a result of the lower Canadian dollar, some vacation travellers have altered their out of Canada vacation travel habits while others continue to vacation as always. Would you please read over the items listed on the card and call off those items that might apply to you. (Asked of those who stated less likely/makes no difference to vacation outside of Canada because of the lower dollar).

Figure 5

%	Spring '95	Fall '95	Spring '96	Fall '96	Spring '97	Fall '97	Spring '98	Fall '98	Fall '99	Spring '00
Take fewer trips	39	36	32	28	35	31	33	43	38	35
Continue to vacation as always	26	34	30	35	32	39	35	33	29	29
Stay for a shorter period of time	30	24	24	20	20	21	21	27	32	33
Look for cheaper ways to get there	25	23	26	23	22	22	23	26	30	27
Stay at less expensive places	28	27	26	23	24	25	23	25	32	30
Eat at less expensive restaurants	23	21	20	16	17	17	17	18	23	22
Other	6	9	10	6	7	10	7	4	7	6
Not stated	4	3	2	8	4	*	2	*	2	4

Canadians planning to travel beyond their own borders will continue to make changes to their travel habits given the lower value of the Canadian dollar. Shorter stays and fewer trips are the most likely results with only 29 per cent responding that they plan to vacation as always.

Older Canadians feel less impacted by the dollar's values as they indicate that they are less likely to alter their travel habits.

Residents of Ontario are more likely to vacation as always (33%) while those in Manitoba/Saskatchewan are most likely to make significant changes to their travel habits.

Vacation Travel Plans in Next 12 Months Within Canada

Q. *Are you planning to take a vacation trip of two or more nights during the next twelve months within Canada?*

Figure 6

%	Spring '95	Fall '95	Spring '96	Fall '96	Spring '97	Fall '97	Spring '98	Fall '98	Fall '99	Spring '00
Yes	46	47	48	37	48	41	50	46	41	51
No	43	44	44	52	44	49	40	46	52	44
Maybe	11	9	8	11	8	10	10	8	7	5
Yes/Maybe	57	56	56	48	56	51	60	54	48	56

A full 51 per cent of Canadians plan to take a domestic vacation in the next 12 months, up 10 percentage points from the Fall of 1999 and the highest level in the history of this survey.

Higher income Canadians are those most likely to travel within Canada with 59 per cent at the $50,000+ household income level planning a trip in the next 12 months. Married Canadians (57%) and those with children under the age of 18 (53%) also exceed the average. Residents of the Manitoba/Saskatchewan region are most likely to travel within Canada at 62 per cent, compared to 47 per cent for those in Ontario.

Canadians do not necessarily feel that a domestic vacation represents a bargain: excluding travel costs, 29 per cent believe that a Canadian vacation is much higher or somewhat higher than a vacation to the USA while 31 per cent believe that the cost is about the same.

Tourism industry efforts to promote domestic travel are having an impact on Canadians with 46 per cent acknowledging that they are being enticed by packaged offerings, up 6 percentage points from the Fall of 1999.

Vacation Travel Plans in Next 12 Months to the USA

Q. Are you planning to take a vacation trip of two or more nights during the next twelve months to the United States?

Figure 7

%	Spring '95	Fall '95	Spring '96	Fall '96	Spring '97	Fall '97	Spring '98	Fall '98	Fall '99	Spring '00
Yes	15	18	19	20	18	19	18	14	16	15
No	73	69	73	70	72	69	72	76	78	80
Maybe	13	12	7	10	10	12	11	10	6	5
Yes/ Maybe	28	30	26	30	28	31	29	24	22	20

The number of Canadians planning USA vacations has been declining throughout the history of this survey and the downward trend continues with only 20 per cent responding "Yes/Maybe", compared to 22 per cent in the Fall of 1999.

Those in the 65+ age bracket are more likely to venture south (29% yes/maybe) as are those in higher income brackets.

Florida continues to be the destination of choice for vacationers to the USA (33%) while California (15%) has edged ahead of New York (14%).

Consumer Confidence

Q. *Considering both the availability and cost of things today, as well as your present financial circumstances, do you think now is a good time to buy the things you want and need, or a good time to wait, or is it someplace in between?*

Figure 8

%	Spring '95	Fall '95	Spring '96	Fall '96	Spring '97	Fall '97	Spring '98	Fall '98	Fall '99	Spring '00
Good time to buy	23	20	17	28	25	29	31	24	26	26
Good time to wait	40	43	48	34	39	34	31	39	33	31
Someplace in between	33	33	33	35	33	34	36	34	39	40
Don't know	3	4	2	3	3	3	2	3	2	3

Canadian consumer confidence has not improved since the Fall 1999 survey as only 26 per cent continue to believe that it is a "good time to buy". The air of uncertainty is underlined by the 40 per cent response in the "someplace in between" category.

Survey Methodology

Sample Size

A nationwide sample of 1,208 individuals 18 years of age and over was interviewed for Roper Reports by means of face to face interviews in respondents' homes between June 19 and August 17, 2000.

Universe Covered

The sample universe included all individuals 18 years of age and over living in Canada with the following exceptions.

i) The Yukon and Northwest Territories

ii) Individuals residing in sparsely populated areas

iii) All Indian Reservations

iv) Inmates of institutions or members of the armed forces not living at home.

Sample Distribution

The total sample of 1,208 individuals was distributed among Canada's six regions: Atlantic Canada, Quebec, Ontario, Manitoba/Saskatchewan, Alberta and British Columbia.

Sample Selection Process

A multi stage stratified probability sample selection process is used for selecting interview locations. The chance of a community being included at each stage of the selection process is based on 1996 Census data.

Stage I - Selection of Communities

The first stage in the sample selection process is to classify communities on the basis of whether they constitute a Census Metropolitan Area or Census Agglomeration Area or not.

A Census Metropolitan Area is a large geographic population area having a population of at least 100,000 centered around an urban core. Census Agglomerations are similar to a CMA in terms of definition but have a population between 10,000 and 100,000.

Population areas defined as a CMA or CA are first stratified by population within each geographic region in descending order. The likelihood of choosing a CMA/CA is proportionate to its population relative to the region.

The likelihood of selecting a particular community (defined as a census sub-division) within a given CMA or CA is proportionate to its population relative to that of the entire CMA or CA.

Selected CMAs or CAs with census tracts are further stratified by population in descending order. The likelihood of choosing a particular census tract is proportionate to its population relative to that of the chosen CMA/CA sub-division for a selected CMA/CA.

Communities (defined as census sub-divisions) not belonging to a CMA or CA are stratified by population within each geographic region in descending order. The chances of selecting a particular census sub-division is dependent upon its population size relative to the geographic region to which it belongs.

Stage II - Selection of Primary Sampling Units

The primary sampling unit is the enumeration area. An enumeration area or EA generally ranges from a maximum of 375 households in larger community areas to a minimum of 125 households in smaller sized communities.

All EAs within a selected community (census sub-division or census tract) have an equal chance of being selected. Interviewers are to complete ten interviews for each EA assignment they receive.

A total of 120 enumeration areas were allotted for the survey; ninety-three were located within CMA/CA areas whereas twenty-seven were located in non CMA/CA areas.

Stage III - Selection of Households Within An Ea

Interviewers are given a map of the area they are to interview. The area where interviewers must conduct all interviews is clearly marked. A start point indicated by an X is shown on each map. Interviewers must follow the assigned route that is outlined on the map.

A detailed set of instructions is provided to each interviewer as to how a household is to be selected for interviewing. Generally, interviewers are instructed to select every other household along the prescribed route they are to follow.

Stage IV - Selection of Individuals Within Households

An X pattern selection grid was used to determine who should be interviewed if more than one qualified household member is home at the time an interviewer calls. Only one interview per household is allowed.

Weighting and Sample Reliability

Survey results were balanced by age. gender and region to correspond to the Canadian adult population 18 years and over. Quebec results were further balanced by language spoken most often at home.

The margin of error for a probability sample of 1,208 interviews is ± 2.8 per cent 19 times out of 20.